

## Internal Revenue Service

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Washington, DC 20224

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:PSI:4

PLR-130141-13

Date:

December 12, 2013

In Re:

### Legend

Decedent =

Revocable Trust =

Trustee =

Accountant =

Date 1 =

Date 2 =

Law Firm =

Date 3 =

Dear :

This letter responds to your authorized representative's letter of July 2, 2013, requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to elect to specially value farmland under § 2032A of the Internal Revenue Code.

The facts submitted and representations made are summarized as follows. Decedent died on Date 1. Decedent's estate included ranch land held in Revocable Trust. Trustee hired Accountant to prepare Decedent's Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return. Accountant did not advise Trustee about the availability of special use valuation. On Date 2, Trustee timely filed Form 706, however, Trustee failed to elect to specially value the farmland under § 2032A and did not make a protective election.

After Form 706 was filed, questions arose about the estate's valuation of the ranch land subject to a conservation easement and prior unreported gifts. Trustee engaged Law Firm and it was at that time that the failure to make the election under § 2032A was first discovered. Trustee now requests an extension of time to file a protective election and/or final election under § 2032A.

Section 2001 imposes a tax on the transfer of the taxable estate of every decedent who is a citizen or resident of the United States.

Section 2032A(a)(1) provides, generally, that if the decedent was (at the time of his or her death) a citizen or resident of the United States, and the executor elects the application of this section and files the agreement referred to in § 2032A(d)(2), then, for purposes of chapter 11, the value of qualified real property shall be its value for the use under which it qualifies, under § 2032A(b), as qualified real property.

Section 2032A(d)(1) provides that the election under § 2032A shall be made on the return of tax imposed by § 2001. Such election shall be made in such manner as the Secretary shall by regulations prescribe. Such election, once made, shall be irrevocable.

Under § 301.9100-1(c), the Commissioner may grant a reasonable extension of time to make a regulatory election, or statutory election (but no more than 6 months except in the case of a taxpayer who is abroad), under all subtitles of the Internal Revenue Code except Subtitles E, G, H, and I.

Section 301.9100-3 provides the standards used to determine whether to grant an extension of time to make an election whose due date is prescribed by a regulation (and not expressly provided by statute). Requests for relief under § 301.9100-3 will be granted when the taxpayer provides the evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and the grant relief will not prejudice the interests of the government.

Section 301.9100-3(b)(1)(v) provides that a taxpayer is deemed to have acted reasonably and in good faith if the taxpayer reasonably relied on a qualified tax professional, including a tax professional employed by the taxpayer, and the tax professional failed to make, or advise the taxpayer to make, the election.

Based on the facts submitted and the representations made, we conclude that the standards of § 301.9100-3 have been satisfied. Therefore, Trustee is granted an extension of time of 120 days from the date of this letter to file a protective election and/or final election under § 2032A. The supplemental Form 706 should be filed with the Internal Revenue Service Center, Cincinnati, OH 45999. A copy of this letter should be attached to the Form 706.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

Associate Chief Counsel  
(Passthroughs & Special Industries)

By: \_\_\_\_\_  
Lorraine E. Gardner, Senior Counsel  
Branch 4  
Office of Associate Chief Counsel  
(Passthroughs & Special Industries)

Enclosure